GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:3260
ANSWERED ON:10.12.2002
DISINVESTMENT OF ASHOK HOTEL
VSM (RETD.) COL. CHOUDHARY

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Government have decided to disinvest the ITDC Ashok Hotel, New Delhi;

(b) if so, whether Hotel Ashok, Delhi did not attract even a single bidder when it was twice offered for long term management lease early this year;

(c) if so, the details thereof and the reasons therefor;

(d) the details of the performance of the Ashok Hotel in terms of occupancy, profit or loss on the basis of receipt and wage bills during the last three years;

(e) the steps taken during the last three years to improve the performance of the hotel; and

(f) the worth of assets of the hotel and the likely amount of money the Government propose to get by way of its disinvestment?

Answer

MINISTER OF DISINVESTMENT, MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION AND MINIST COMMERCE & INDUSTRY (SHRI ARUN SHOURIE)

(a) No, Sir.

(b) & (c) Financial bids for Lease-cum-Management contract of Ashok Hotel, New Delhi were invited for the first time on 10.11.2001. There was no valid bid; only one bid without the prescribed Bank Guarantee was received. Financial bids were re-invited on 21.1.2002; there was no bid.

(d) The performance of Ashok Hotel, New Delhi during the last 3 years is as under: -

Financial Year	Occupancy(%)	Turnover (Rs. lakhs)	Salaries & Wages (Rs. lakhs)	Operating Profit/ Loss(Rs. lakhs)
1999-00	37.19	4011.40	2085.33	(-) 752.59
2000-01	41.55	4640.57	2239.58	(-) 353.84
2001-02	32.69	3619.78	1784.11	(-) 589.53

(e) The performance of Ashok Hotel, New Delhi has not been encouraging during the past 3 years.The steps recently taken towards improving its performance are reinforcement of sales/marketing campaign, special packages for accommodation and F&B, fixation of monthly revenue targets and higher emphasis on realisation of outstanding dues, improvement in existing infrastructure to enhance guest facilities, higher emphasis on control of expenditure by way of linking it to industry norms, image building through familiarization and PR events to promote the hotel amongst diplomats, airlines & corporate sector, taking measures for generating regular fixed income, introducing modern management techniques to make the hotel operations efficient and effective, enforcement of discipline, strengthening of complaint monitoring and redressal system, introduction of output linked incentive scheme and regular training of officers and staff. As a result, the hotel has shown improvement in its turnover over previous years in first six months of the current year i.e., 2002-03. The final picture would emerge only at the close of the financial year.

(f) Does not arise in view of reply to (a) above.